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8 March 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director for IntelligenceFROM: [REDACTED]
Chief, Theater Forces Division, SOVASUBJECT: Interagency Reconsideration of Revised US
MBFR Proposal

1. Action: No action required, for your information only. The purpose of this memorandum is to inform you of current interagency deliberations on US policy in MBFR. The President may be asked to make a decision today (8 March).

2. Background: As a result of extensive interagency deliberations, the President authorized a modification of the current US approach to MBFR. NSDD 126 of 20 February (TAB A) proposes changes in the current NATO position:

- It injects some flexibility in requiring accommodation on troop data only on combat and combat support ground forces prior to a treaty.
- Data exchange on air forces and other support forces would be deferred until after reductions in combat and combat support forces.

3. NSDD 126 retains the objective of NATO-Warsaw Pact parity in manpower. On-site verification measures would apply from the onset of reductions.

4. The US objective is to narrow the focus of the data discussion to combat and combat support manpower. This concept is based on hard intelligence that the East has excluded large numbers of troops in non-combat and non-combat support functions from its officially claimed troop totals. In calling for postponement of discussion of the latter categories, the US proposal seeks to negotiate an agreed data base for reductions without forcing the East to admit that its previously claimed totals were incomplete.

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West German Views

5. At working-level talks in Bonn last week, West German officials expressed dissatisfaction with the new US initiative. They stated that while it helped to narrow the focus of the data dispute, the continued US insistence on prior agreement on data would only ensure continued stalemate in Vienna.

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6. As a consequence of the failure to make progress in Bonn, working level meetings among US-UK-and FRG experts were convened in Washington on 6-7 March. At these meetings the British supported the new US position. The Germans, however, restated their objections to the US approach, and offered an alternative proposal. (TAB C, Table 2.)

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US-FRG disagreements have since been leaked to the press (TAB B).

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8. At the working group sessions, the FRG representatives were more blunt in their objection to the US approach. They stated that:

- If the US did not agree to incorporate elements of the FRG approach, the FRG would table its proposal in NATO as an alternative to that of the US. (State Department officials take this possibility seriously and believe that the West Germans could gain considerable support in NATO for their position.)
- If the US refused to agree to an "activist" policy in MBFR then the "focus" of West German policy would shift to the Conference on Disarmament in Europe (CDE). (State Department officials view this possibility more skeptically.)

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9. As a consequence of this impasse, the Interdepartmental Group on NATO Conventional Forces and Arms Control has commissioned a review of alternative options (TAB C). The NSC Staff has been asked to try to obtain a White House decision by COB today (8 March) on how to proceed.

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10. From an intelligence monitoring perspective, none of the current options jeopardizes our ability to make high confidence judgments on the accuracy of Eastern troop data exchanged prior to reductions. Furthermore, all of the options provide for implementation of on-site verification measures prior to any reductions. All of the options run some risk that, following agreement on combat-combat support forces, the East could submit phoney numbers for the remainder of its forces. In such an event, however, intelligence would still be able to demonstrate to US policymakers the implausibility of Eastern claims. [REDACTED]

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11. OSD and JCS strongly support the original US position. In short, they believe that the US should continue to resist the German compromise, and take the fight to NATO if necessary. State and ACDA strongly favor a compromise proposal as described in TAB C, table 3. The proponents of compromise fear that a NATO debate on this issue would be politically divisive. Furthermore, they believe that press leaks are inevitable and that US-FRG differences will rebound to the disadvantage of both Chancellor Kohl and the Reagan administration. [REDACTED]

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Attachment:
As stated

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SOVA/TFD [REDACTED] (8 Mar 84)

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WASHINGTON

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February 20, 1984

NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 126MUTUAL AND BALANCED FORCE REDUCTIONS (C)

Following the National Security Council meeting of January 13, 1984, and having considered agency views provided in response to NSDD-122, I have decided on the following policy concerning the Mutual and Balanced Force Reductions (MBFR) negotiations. (C)

At the forthcoming Trilateral consultations with the FRG and the UK, the US will propose a new MBFR initiative as follows:

- In order to achieve progress in the negotiations, we are prepared, in exchange for new flexibility on the part of the East in meeting our verification concerns, to drop our requirement for a prior formal agreement on data by seeking only an exchange of data sufficient to fall within a range of US data estimates and by requiring data only on combat and combat support forces prior to treaty signature. To assure that our concerns are fully met, we would seek agreement on an appropriately enhanced NATO verification package.
- In presenting this initiative, we are prepared to indicate to the Soviet Union that if the East responds positively to our new initiative and thereby sustains the momentum of the negotiations, we will be prepared to demonstrate further flexibility. (S)

In presenting this position at the Trilateral consultations, we should indicate that we require substantial improvement in the verification arrangements, laying out our specific concerns, and we should indicate that we are working these issues in Washington and will be looking to further Alliance consultations on these issues in the weeks ahead. (S)

Our basic approach in the MBFR negotiations should be to demonstrate flexibility compatible with our security requirements in response to Soviet movement. It is also important that the MBFR negotiations in Vienna remain the focus of arms reductions efforts involving conventional forces. (S)

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As we present our new initiative, we should concurrently develop our verification, data and other provisions with substantial precision so that if the Soviet Union does respond positively in concrete terms, we will be in a position to show additional flexibility compatible with our objectives. Specific tasking will follow. (S)

Ronald Reagan

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Reagan Alters Stand on Troop Cuts

By LESLIE H. GELB
Special to The New York Times

WASHINGTON, March 5 — President Reagan has moved to modify the Western bargaining stance on reducing troops in Central Europe, Administration officials say.

They said the decision was subject to consultations with Washington's European allies.

The officials said this week that the aim of Mr. Reagan's new approach was to ease the deadlock over troop totals, where the Soviet Union's figure is 180,000 fewer than Western intelligence shows, by proposing to count military units rather than the total of individual soldiers in the area.

The negotiations are set to resume in Vienna on Friday, but neither Western diplomats nor Administration officials said they believed that the new American position had any chance to produce a breakthrough.

Officials said that the West German Chancellor, Helmut Kohl, pressed Mr. Reagan at the White House today to be far more flexible on this issue. Mr. Kohl, backed by Secretary of State George P. Shultz, had been hoping for a Western position that would sidestep the need for agreement on troop data before initial small withdrawals by both sides.

Inspectors Acceptable to Soviet

Mr. Kohl has been proposing that, for purposes of initial withdrawals, it would be sufficient for on-site inspectors to count the number of troops leaving the central region, as long as there would be agreement on troop totals before further reductions.

The Soviet Union opened up the possibility for this approach in the fall when it said it would agree to the permanent stationing of on-site inspectors in the central region.

Officials said the new proposal formally approved by Mr. Reagan two weeks ago after considerable inter-agency struggling would change the "unit of account," or definition of troops to be removed. Instead of counting the total number of individual troops in the central region, which is difficult to check, the count would be based on manpower in combat and combat support units, where intelligence tracking by satellites and communications intercepts is far more reliable.

Combat units, such as divisions and brigades, generally have headquarters, specific locations and regular communications patterns. Also, far more than individual soldiers, they constitute a meaningful measure of combat ability.

This whole question of Western ability to monitor a withdrawal agreement with the Soviet Union turned out to be the center of the dispute between the Pentagon and the State Department, officials said. Pentagon officials argued that the United States should not be seen in any way as weakening verification requirements on Moscow, especially at a time when the Administration was charging the Soviet Union with many violations of existing arms treaties.

The State Department contended that the withdrawals could be adequately verified and, more importantly, that it was necessary for Washington to be seen as flexible in these 10-year-old talks, particularly to help Mr. Kohl contain mounting concern in West Germany about East-West relations.

A high Pentagon official likened the State Department position to judging the value of a bank account "by looking at withdrawals rather than deposits." A State Department official countered, "As long as you know what's coming out and that it's staying out, that's what matters."

Aim Is 'Congruence'

The current Western proposal calls for 30,000 troops to be withdrawn by the Soviet Union and 13,000 by the United States in a first phase. Moscow proposes 20,000 and 13,000 respectively.

The two sides have agreed in principle on subsequent reductions to a common ceiling of 700,000 ground forces plus 200,000 air personnel. The West puts the present total of Warsaw Pact, including Soviet, forces at 1,160,000, or 180,000 more than acknowledged by Moscow.

Administration officials do not expect the Soviet Union to back away from this figure and admit error. But if it was not asked to do this, but instead was required only to discuss and set figures for military units, Soviet leaders might be more amenable.

As a "sweetener," the officials said that Moscow would not be asked to agree precisely on the total of combat and combat support units, but only on "congruence," or agreement within a certain range of uncertainty.

Officials Are Skeptical

Many of these officials, however, acknowledged that, to date, whenever the West has queried Moscow on the size of military units, Soviet and Eastern bloc negotiators have been ever more evasive and reluctant. "They regard this as military intelligence," one explained.

"Also," this official continued, "make no mistake about it, when we

speak of 'congruence,' we still expect Soviet figures to come very close to our own."

For all the arguments within the Administration over these talks on mutual balanced force reductions, virtually all responsible officials speak of their skepticism about the value of any agreement. To them the talks, which began in good part as an effort to stem growing Congressional pressure to withdraw American forces unilaterally from Europe, have evolved into a negotiation that essentially favors the Soviet Union.

To them and to the body of career diplomats and military officers in Britain, France and Italy, an agreement to withdraw American forces 4,000 miles and Soviet troops a few hundred miles is inherently unequal.

These diplomats and officials report a growing sentiment for abandoning the talks and merging them into the larger framework of the coming European security conference. "But," said a ranking Administration official, "there is no chance of that given German interest in keeping the talks alive and getting an agreement."

Warsaw Pact Proposes Military Spending Cuts

LONDON, March 5 (Reuters) — The Warsaw Pact countries have proposed talks with NATO on a mutual commitment not to increase military spending, and then to reduce it, the Moscow radio said today.

The radio, monitored by the British Broadcasting Corporation, said the proposal was contained in a document distributed by the Rumanian Foreign Ministry to the embassies of North Atlantic Treaty Organization countries in Bucharest.

The document proposed preliminary consultations involving all member countries of the two alliances, the broadcast said. It added that the arms race was worsening and that military spending was an increasingly heavy burden, impeding the world's economic and social progress.

It said the funds released by cuts in military spending could finance social and economic development.

The radio said the Warsaw Pact countries believed that the proposed talks would improve the political climate in Europe and the whole world.

The document expressed the hope that the NATO governments would reply affirmatively as soon as possible.

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Table 1: US Approach

- Agree on verification measures
- Agree on data exchange format
- Exchange data on all ground combat/coombat support (C/CS) forces
- Sign agreement

Year 1: Initial reductions in US and Soviet ground C/CS

- Ceiling on US and Soviet ground C/CS
- Verify US and Soviet residual C/CS

Year 2: Reductions by all direct participants in ground C/CS

- Interim ceiling of _____ on ground C/CS
- Interim sub-ceiling of _____ on US and Soviet ground C/CS

Year 3: Verify interim ceilings on ground C/CS

Year 4/5: Exchange information in agreed categories on service support and air forces to be part of final ceilings and sub-ceilings

- Complete reductions of all forces to parity

End of Year 5: Sub-ceiling of _____ on US and Soviet ground C/CS

- Sub-ceiling of 520,000 on ground C/CS
- Ceiling of 700,000 on total ground forces
- Ceiling of 900,000 on total ground and air forces

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Table 3: Possible Trilateral Compromise

- Agree on verification measures
- Agree on data exchange format
- Exchange data on US and Soviet ground C/CS
- Sign agreement
- Reductions in US and Soviet round C/CS
- Ceiling on US and Soviet C/CS
- Verify US and Soviet residual C/CS
- Exchange data on all forces
- No-increase commitment
- Verification of the data on all forces
- Phased reductions to common ceilings, with verification at each phase

Table 2: German "Compromise"

- Agree on verification measures
- Agree on data exchange format
- Exchange data on US and Soviet ground C/CS
- Sign agreement
- Reductions in US and Soviet ground C/CS
- Ceiling on US and Soviet C/CS
- Verify US and Soviet residual C/CS
- No-increase commitment on all forces, limited to 18 months
- Exchange data on all non-US, non-Soviet forces
- Verification of the data
- Data agreement
- Specify reduction amounts for each side
- Reductions, in stages, of all ground forces to parity
- Common collective ceilings of 700,000 ground and 900,000 ground and air forces combined